

SUMTER COUNTY,
FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2005

**Sumter County, Florida
Audit Report
September 30, 2005**

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Independent Auditors' Report

Board of County Commissioners
Sumter County, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Sumter County, Florida (the "County"), as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2006 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the budgetary comparison schedules listed in the table of contents as "required supplementary information" are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the table of contents as "supplemental information", including the Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Davis, Hunk & Company".

February 7, 2006
Gainesville, Florida

Management's Discussion and Analysis

The management of Sumter County offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2005. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements. The financial reporting model and the financial statements associated with it are described in the following narrative as well as the Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

- Sumter County's assets exceeded its liabilities at September 30, 2005, by \$150,087,711 (*net assets*). Of this amount \$13,178,450 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors. \$128,035,061 was invested in capital assets, net of related debt. The remaining \$8,874,200 was restricted by law, grant agreements, debt covenants or contributors.
- The County's total net assets increased by \$16,964,489 over 2004. 42% of this increase was due to a donation of roads in The Villages to the County.
- The General Fund reported a fund balance at September 30, 2005 of \$11,000,829 or 31% of expenditures and transfers out. The General Fund fund balance increased \$3.5 million from 2004.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Governmental-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Sumter County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Sumter County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Sumter County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the County include general government, public safety, transportation, human services, culture and recreation, physical environment, economic environment and court costs.

The government-wide financial statements include not only the County itself, but also the Sumter County Industrial Development Authority, a legally separate entity for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories, governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

Sumter County maintains 46 governmental funds for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sheriff Operations Fund, and the Impact Fee Fund which are considered to be major funds. Data from the other 43 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual appropriated budget for its general fund and all its governmental funds. A budgetary comparison statement has been provided for the general fund and other major governmental funds to demonstrate compliance with these budgets.

Proprietary funds – Internal service funds are an accounting device used to accumulate and allocate costs internally for a government's various functions. The county uses an internal service fund to account for its self-insured health insurance activities. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. **Enterprise funds** are used to report business-type activities. The County has no enterprise funds.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements. Notes are presented on pages 11 to 23 of this report.

Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund and major governmental (pages 24 to 26). Following the required supplemental information can be found combining balance sheets and combining statement of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds (pages 27 to 40) and the schedules of expenditures of federal and state awards (pages 42 to 44).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sumter County, assets exceeded liabilities by \$150,087,711 at the close of the fiscal year ended September 30, 2005.

Sumter County's Net Assets September 30, 2005

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 38,263,974	\$ 27,433,659
Capital assets	140,141,973	129,639,242
Total assets	<u>\$ 178,405,947</u>	<u>157,072,901</u>
Current Liabilities	13,940,215	9,529,494
Long-term debt outstanding	14,378,021	14,420,185
Total Liabilities	<u>28,318,236</u>	<u>23,949,679</u>
Net Assets		
Invested in capital assets, net of related debt	128,035,061	117,534,182
Restricted	8,874,200	5,274,507
Unrestricted	13,178,450	10,314,533
Total net assets	<u>\$ 150,087,711</u>	<u>\$ 133,123,222</u>

The largest portion of the County's net assets (85%) reflects its investment in capital assets (e.g. land, parks, buildings, roads, and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (6%) represents resources that are subject to restrictions imposed externally.

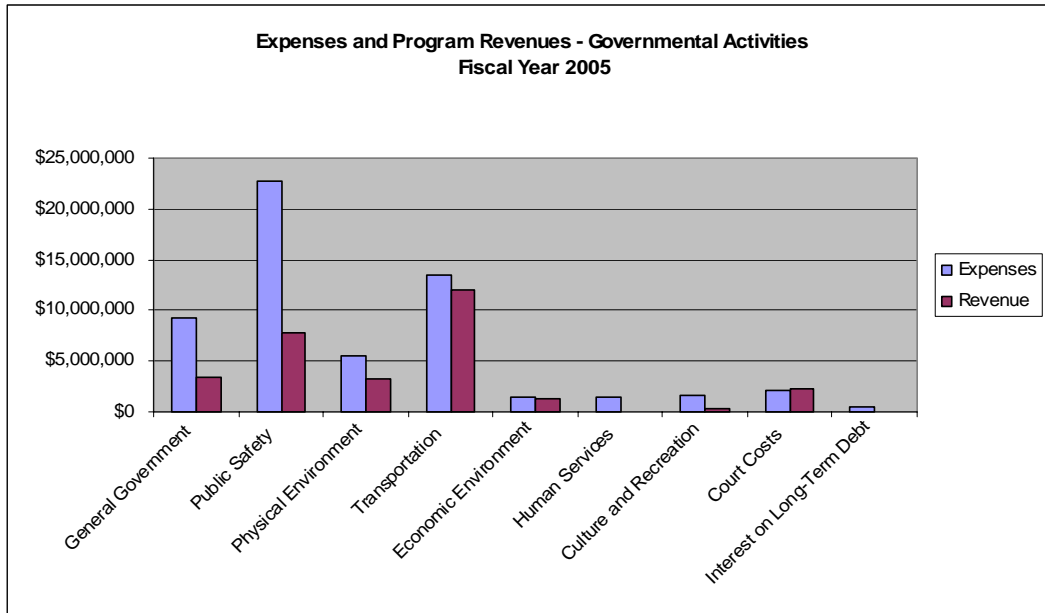
The remaining balance of *unrestricted net assets* (\$13,178,450) may be used to meet the County's ongoing obligations to citizens and creditors.

Changes in Net Assets

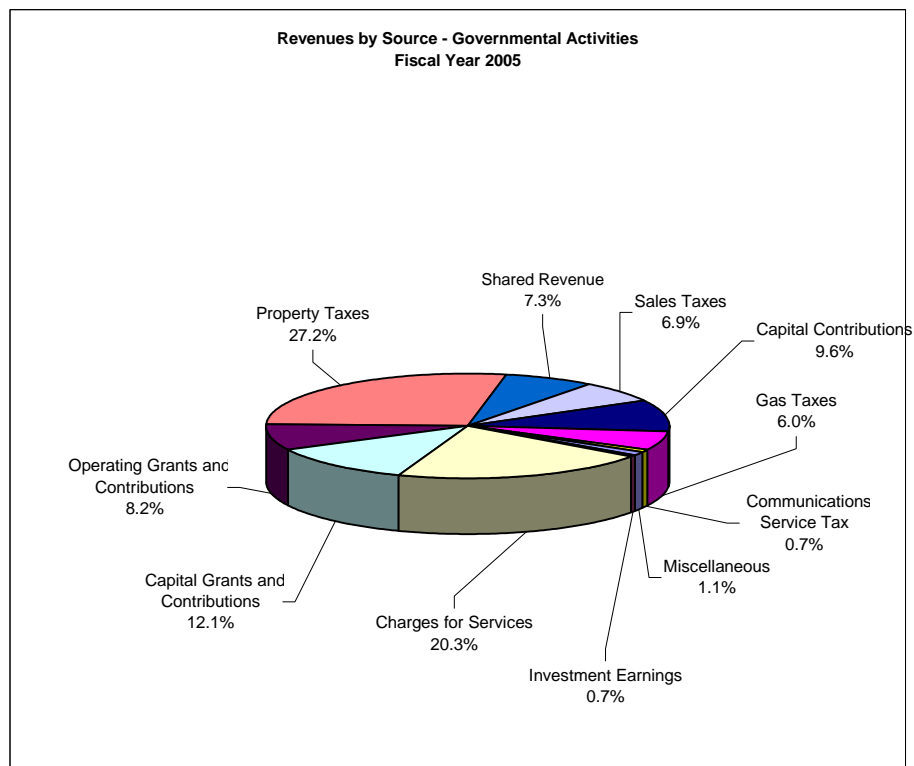
The change in net assets over time may serve as a useful indicator of a government's financial position. Net assets increased by \$16.9 million during fiscal year 2005. The following schedule provides a summary of the changes in net assets.

Sumter County's Changes in Net Assets

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Revenues		
Program revenues:		
Charges for services	\$ 15,221,362	\$ 14,091,339
Operating grants and contributions	6,135,199	5,771,963
Capital grants and contributions	9,035,464	7,139,534
General Revenues:		
Property taxes	20,392,919	17,029,160
Other taxes	10,319,916	9,058,065
State shared revenues	5,429,456	4,876,234
Other	8,335,552	32,863,896
Total revenues	<u>74,869,868</u>	<u>90,830,191</u>
Expenses		
General government	9,182,901	9,375,984
Public Safety	22,697,616	19,793,100
Physical Environment	5,574,339	4,376,287
Transportation	13,431,714	5,907,303
Economic Environment	1,423,880	1,798,560
Human Services	1,418,513	1,496,950
Culture-Recreation	1,589,128	1,115,460
Court-related	2,033,222	2,001,525
Interest on Long-Term Debt	554,066	682,840
Total expenses	<u>57,905,379</u>	<u>46,548,009</u>
Increase (decrease) in net assets	\$ 16,964,489	\$ 44,282,182
Net assets beginning	<u>133,123,222</u>	<u>88,841,040</u>
Net assets ending	<u>\$ 150,087,711</u>	<u>\$ 133,123,222</u>



Expenses and revenues for governmental activities are shown graphically by function. The largest expenses relate to public safety followed by transportation.



Revenues for governmental activities are shown graphically by source. The largest source of revenues for governmental activities was property taxes followed by charges for services. Total revenues excluding the donation of roads increased 16% over fiscal year 2004 while expenditures increased 24%. Two-thirds of the increase in expenditures was for road improvements.

Even though the millage rate was unchanged, property tax revenues increased by 19.7% due to increased valuations and additional new homes in the county.

Building permit revenue decreased by 7% from \$4.1 million to \$3.8 million primarily due to a temporary decrease in building activity in The Villages.

Revenue from the small county sales tax increased 18% from \$4.3 million to \$5.1 million because of growth in the county.

Intergovernmental revenue increased 26% largely because of FEMA reimbursements of hurricane related expenditures, Department of Transportation reimbursement for widening County Road 468, and increases in the ½ cent sales tax received from the State of Florida.

Revenue from capital grants and contributions increased 26.5% due mainly to road impact fees that were used to reconstruct County Road 466.

Spending on public safety increased 14.7% because of: 1) the needs of the Sheriff's Office, 2) the need to increase the budget of development services due to growth in the County, and 3) increased spending on fire services.

Spending on physical environment increased 27% or \$1.1 million. Much of this increase is due by the \$995,000 loss recognized on the abandonment of digester #1 at the Solid Waste Facility.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2005, the County's government funds reported combined ending fund balances of \$21,767,728, an increase of \$6,612,966. *Unreserved fund balance* of \$20,714,494 is available for spending at the County's discretion. The remainder is reserved to indicate that it is not available for new spending because it has already been committed for such items as debt service, capital projects, or required for financial assurance regarding possible future costs of closure at the Solid Waste Facility.

At the current time the County has three major governmental funds. They are 1) General Fund, 2) Impact Fee Fund, 3) Sheriff Operations Fund.

General Fund

The general fund is the chief operating fund of the County. At the end of fiscal year 2005, unreserved fund balance of the general fund was \$10,799,000, while total fund balance reached \$11,000,829. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 30% of total general fund expenditures and transfers out.

The fund balance of the county's general fund increased by \$3,459,584 during fiscal year 2005.

Key factors in this increase are as follows:

- Actual expenditures were less than budgeted expenditures.
- Transfers in from the debt service fund which represents sales taxes in excess of debt service requirements exceeded estimates by \$942,921.
- The Sheriff returned \$527,634 in unspent budget.

Impact Fee Fund

The Impact Fee Fund is classified as a major fund because the large amount of assets and liabilities at year-end and because of the large amount of expenditures during the fiscal year.

Sheriff

The Sheriff's operating fund is considered a major fund because of the Sheriff's expenditures, which for the year totaled \$13,969,748. All unspent funds revert to the Board of County Commissioners so there was no fund balance at year-end.

Proprietary funds

As noted earlier, the County does not use enterprise funds.

The county maintains an internal service fund to account for its self-funded health insurance program. Statements for the fund can be found on pages 7-9.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund budget was amended during the year to include grants totaling \$1.1 million that could not be budgeted until the grants were awarded.

2005 General Fund Budget Summary

	Original Budget	Amendments	Final Budget	Actual
Carried Forward from 2004	\$ 6,450,000	136,257	6,586,257	\$ 7,541,245
Revenue and other sources	36,479,488	1,385,914	37,865,402	39,404,861
Expenditures and other uses	(39,658,700)	(1,452,875)	(41,111,575)	(35,945,277)
Carried Forward to 2006	\$ 3,270,788		\$ 3,340,084	\$ 11,000,829

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

**Sumter County's Capital Assets
Net of Depreciation
September 30, 2005**

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Land	\$ 50,405,348	\$ 46,314,569
Buildings	24,616,347	23,533,187
Improvements	3,475,804	3,393,830
Equipment	9,027,934	9,905,791
Assets Under Capital Lease	251,703	235,837
Infrastructure	49,243,287	43,252,469
Construction in Progress	3,121,550	3,003,559
	<u>\$ 140,141,973</u>	<u>\$ 129,639,242</u>

The County's investment in capital assets, for its governmental activities as of September 30, 2005, amounts to \$140,141,973 (net of accumulated depreciation). As stated earlier, the major reason for this increase was the donation of roads to the County by The Villages. The investment in capital assets includes land, buildings, improvements other than buildings, equipment, construction in progress and a portion of Sumter County's infrastructure. The remaining infrastructure will be reported within the fiscal year 2006 financial statements, under GASB 34 provisions.

Major construction projects underway at the end of the fiscal year include the following:

- West Central Florida Education Center located at the fairgrounds with an estimated cost of \$2.8 million with \$500,000 of the total to be provided by state grants.

Major capital asset projects completed during the current fiscal year include the following:

- Widening of a portion of County Road 468 at a cost of \$1.6 million.
- Widening a portion of County Road 48 a cost of \$2.2 million.

Additional information on the County's Capital Assets may be found in Note 6 on page 17 of the accompanying financial statements.

Long-term debt

On September 30, 2005, the County had total bonded debt of \$12,245,000. The County has pledged specific revenue sources as a method of repayment. No new long-term debt was issued during 2005. When the bonds were issued in 1998 and 2003, the County had ratings on its bonds of AAA from Standard & Poor's and Fitch.

Additional information on the County's Long-Term Obligations can be found in Note 7 beginning on page 18 of the accompanying financial statements.

NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS

- Taxable property values used in preparing the 2006 budget increased 46% from 2005. The millage rate was reduced from 9.25 to 7.7675 or 16%.
- Estimates of sales taxes, revenue sharing, and communications services tax used in budgeting for 2006 increased 14.6% from 2005.
- During 2005 the population of the county increased by 11% to 74,052.
- Unemployment rates for Central Florida are lower than Florida or the United States as a whole.

REQUESTS FOR INFORMATION

This financial report was designed to provide a general overview of Sumter County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Clerk of Circuit Court, 209 N. Florida St., Bushnell, Florida 33513.

Sumter County, Florida
Statement of Net Assets
September 30, 2005

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Industrial Development Authority</u>
<u>ASSETS</u>		
Cash and Equivalents	\$ 6,181,385	\$ 59,554
Investment in State Pool	27,867,935	-
Due From Other Governments	2,747,780	23,375
Receivables	752,342	-
Inventory	63,412	-
Prepays	13,812	-
Mortgages Receivable	463,261	-
Debt Issuance Costs	174,047	-
Capital Assets:		
Non-Depreciable	53,526,898	-
Depreciable, Net	86,615,075	-
TOTAL ASSETS	<u>178,405,947</u>	<u>82,929</u>
<u>LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	4,813,329	-
Unearned Revenue	8,956,356	-
Accrued Interest Payable	170,530	-
Noncurrent Liabilities:		
Due Within One Year	1,413,464	-
Due in More Than One Year	12,964,557	-
TOTAL LIABILITIES	<u>28,318,236</u>	<u>-</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	128,035,061	-
Restricted For:		
Capital Projects	347,930	-
Debt Service	313,863	-
Other Purposes	8,212,407	-
Unrestricted	13,178,450	82,929
TOTAL NET ASSETS	<u><u>\$ 150,087,711</u></u>	<u><u>\$ 82,929</u></u>

See accompanying notes.

Sumter County, Florida
Statement of Activities
For the Year Ended September 30, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government	Unit
					Governmental Activities	Industrial Development Authority
PRIMARY GOVERNMENT:						
GOVERNMENTAL ACTIVITIES:						
General Government	\$ 9,182,901	\$ 3,203,575	\$ 59,383	\$ 139,977	\$ (5,779,966)	\$ -
Public Safety	22,697,616	6,958,582	554,474	327,082	(14,857,478)	-
Physical Environment	5,574,339	2,442,892	729,320	-	(2,402,127)	-
Transportation	13,431,714	393,386	3,197,252	8,473,577	(1,367,499)	-
Economic Environment	1,423,880	95,490	1,165,876	94,828	(67,686)	-
Human Services	1,418,513	22,859	-	-	(1,395,654)	-
Culture and Recreation	1,589,128	26,363	315,286	-	(1,247,479)	-
Court Costs	2,033,222	2,078,215	113,608	-	158,601	-
Interest on Long-Term Debt	554,066	-	-	-	(554,066)	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 57,905,379</u>	<u>\$ 15,221,362</u>	<u>\$ 6,135,199</u>	<u>\$ 9,035,464</u>	<u>(27,513,354)</u>	<u>-</u>
COMPONENT UNIT:						
Industrial Development Authority	<u>\$ 129,803</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(128,803)</u>
GENERAL REVENUES:						
Property Taxes					20,392,919	-
Discretionary Sales Taxes					5,144,160	-
Gas Taxes					4,454,920	-
Communications Service Tax					558,179	-
Tourist Development Tax					162,657	-
Unrestricted Shared Revenues					5,429,456	-
Capital Contributions					7,181,346	-
Investment Earnings					492,813	843
Gain on Disposal of Capital Assets					4,809	-
Miscellaneous					656,584	93,500
TOTAL GENERAL REVENUES					<u>44,477,843</u>	<u>94,343</u>
CHANGE IN NET ASSETS					16,964,489	(34,460)
NET ASSETS – BEGINNING OF YEAR					<u>133,123,222</u>	<u>117,389</u>
NET ASSETS – END OF YEAR					<u>\$ 150,087,711</u>	<u>\$ 82,929</u>

See accompanying notes.

Sumter County, Florida
Balance Sheet – Governmental Funds
September 30, 2005

	General Fund	Impact Fees	Sheriff	Other Governmental Funds	Total
<u>ASSETS</u>					
Cash and Equivalents	\$ 1,298,703	\$ 15,374	\$ 962,885	\$ 3,493,968	\$ 5,770,930
Investment in State Pool	8,852,699	9,067,149	1,825	7,612,329	25,534,002
Due From Other Funds	1,536,877	-	213,810	756,036	2,506,723
Due From Other Governments	870,478	-	43,469	1,833,833	2,747,780
Receivables	206,631	-	11,861	290,843	509,335
Mortgage Receivables	-	-	-	539,039	539,039
Inventory	-	-	-	63,412	63,412
TOTAL ASSETS	<u>\$ 12,765,388</u>	<u>\$ 9,082,523</u>	<u>\$ 1,233,850</u>	<u>\$ 14,589,460</u>	<u>\$ 37,671,221</u>
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 992,197	\$ 40,279	\$ 610,304	\$ 2,134,260	\$ 3,777,040
Due to Other Funds	647,726	11,413	623,546	1,186,115	2,468,800
Deferred Revenue	124,636	8,783,644	-	749,373	9,657,653
TOTAL LIABILITIES	<u>1,764,559</u>	<u>8,835,336</u>	<u>1,233,850</u>	<u>4,069,748</u>	<u>15,903,493</u>
<u>FUND BALANCES</u>					
Reserved	201,829	-	-	851,405	1,053,234
Unreserved Reported In:					
General Fund	10,799,000	-	-	-	10,799,000
Special Revenue Funds	-	247,187	-	8,769,723	9,016,910
Capital Projects Funds	-	-	-	898,584	898,584
TOTAL FUND BALANCES	<u>11,000,829</u>	<u>247,187</u>	<u>-</u>	<u>10,519,712</u>	<u>21,767,728</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,765,388</u>	<u>\$ 9,082,523</u>	<u>\$ 1,233,850</u>	<u>\$ 14,589,460</u>	<u>\$ 37,671,221</u>

See accompanying notes.

Sumter County, Florida
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
September 30, 2005

FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$ 21,767,728
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital Assets – Net.....	140,141,973
Long-term liabilities are not reported in the governmental funds.	
Bonds Payable.....	(12,245,000)
Deferred Loss on Refunding.....	217,616
Deferred Charge for Issuance Costs.....	174,047
Issuance Discount.....	134,070
Capital Leases.....	(387,645)
Landfill Long-Term Care Costs.....	(136,062)
Compensated Absences.....	(1,961,000)
Interest payable on long-term debt is not accrued in the governmental funds.....	(170,530)
Liabilities for earned but unavailable revenue are reported in the governmental funds but not in the statement of net assets.....	637,397
The assets and liabilities of Internal service funds are reported with governmental activities.....	<u>1,915,117</u>
Net Assets of Governmental Activities	<u><u>\$ 150,087,711</u></u>

See accompanying notes.

Sumter County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2005

	General Fund	Impact Fees	Sheriff	Other Governmental Funds	Total
<u>REVENUES</u>					
Taxes	\$ 26,095,258	\$ -	\$ -	\$ 4,617,576	\$ 30,712,834
Licenses and Permits	3,905,974	-	-	-	3,905,974
Intergovernmental	1,325,295	-	136,529	12,855,558	14,317,382
Charges for Services	2,295,916	-	-	4,606,738	6,902,654
Fines and Forfeitures	38,743	-	-	1,050,953	1,089,696
Miscellaneous	583,504	7,494,284	174,595	3,575,888	11,828,271
TOTAL REVENUES	34,244,690	7,494,284	311,124	26,706,713	68,756,811
<u>EXPENDITURES</u>					
Current:					
General Government	3,890,839	-	-	6,516,035	10,406,874
Public Safety	4,655,622	-	13,969,748	4,439,731	23,065,101
Physical Environment	572,037	-	-	3,763,888	4,335,925
Transportation	-	7,300,516	-	7,668,204	14,968,720
Economic Environment	566,019	-	-	855,915	1,421,934
Human Services	1,142,043	-	-	240,962	1,383,005
Culture and Recreation	1,564,205	-	-	51,050	1,615,255
Court Costs	17,904	-	-	1,898,225	1,916,129
Capital Outlay	-	-	-	1,813,532	1,813,532
Debt Service:					
Principal Retirement	-	-	-	526,814	526,814
Interest and Fiscal Charges	-	-	-	539,057	539,057
TOTAL EXPENDITURES	12,408,669	7,300,516	13,969,748	28,313,413	61,992,346
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	21,836,021	193,768	(13,658,624)	(1,606,700)	6,764,465
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	5,160,171	-	14,186,259	10,258,669	29,605,099
Transfers Out	(23,536,608)	-	(527,635)	(5,761,606)	(29,825,849)
Capital Leases	-	-	-	69,251	69,251
TOTAL OTHER FINANCING SOURCES (USES)	(18,376,437)	-	13,658,624	4,566,314	(151,499)
NET CHANGE IN FUND BALANCES	3,459,584	193,768	-	2,959,614	6,612,966
FUND BALANCES – BEGINNING OF YEAR	7,541,245	53,419	-	7,560,098	15,154,762
FUND BALANCES – END OF YEAR	\$ 11,000,829	\$ 247,187	\$ -	\$ 10,519,712	\$ 21,767,728

See accompanying notes.

Sumter County, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities – Governmental Funds
For the Year Ended September 30, 2005

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 6,612,966

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Acquisitions of Capital Assets	7,453,358
Current Year Depreciation Expense.....	(3,102,750)
Donated Capital Assets.....	7,181,346
Gain on the Sale of Capital Assets, Net of Proceeds.....	(18,426)
Loss on Capital Asset Disposals and Abandonment.....	(1,010,797)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources, but neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, discounts, and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Capital Leases.....	(69,251)
Principal Payments.....	526,814

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Landfill Long-Term Care Costs.....	(136,062)
Compensated Absences.....	(259,800)
Interest on Long-Term Debt.....	4,529
Amortization of Bond Discount.....	(7,448)
Amortization of Issuance Costs.....	(9,670)
Amortization of Deferred Charge on Refunding.....	(12,089)

The timing of revenue recognition sometimes differs between the governmental funds and governmental activities

Grant Revenue	(1,017,976)
Mortgage Revenue, Net.....	(31,887)

Change in Net Assets of the Internal Service Fund.....	<u>861,632</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 16,964,489</u></u>
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See accompanying notes.

Sumter County, Florida
Statement of Net Assets – Proprietary Funds
September 30, 2005

	Governmental Activities
	Internal Service Funds
<u>CURRENT ASSETS</u>	
Cash and Equivalents	\$ 410,455
Investment in State Pool	2,333,933
Due From Other Funds	9
Receivables	253,890
Prepays	2,929
	<hr/>
TOTAL ASSETS	3,001,216
	<hr/>
<u>CURRENT LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	1,036,289
Unearned Revenue	11,878
Due to Other Funds	37,932
	<hr/>
TOTAL LIABILITIES	1,086,099
	<hr/>
<u>NET ASSETS</u>	
Unrestricted	<u><u>\$ 1,915,117</u></u>

See accompanying notes.

Sumter County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds
For the Year Ended September 30, 2005

	Governmental Activities Internal Service Funds
<u>OPERATING REVENUES</u>	
Charges for Insurance	<u>\$ 5,644,262</u>
<u>OPERATING EXPENSES</u>	
Claims Expense	3,401,976
Premiums for Insurance/Reinsurance	1,127,708
General and Administrative	<u>527,286</u>
TOTAL OPERATING EXPENSES	<u>5,056,970</u>
OPERATING INCOME	587,292
<u>NONOPERATING REVENUES</u>	
Interest Revenue	<u>53,590</u>
INCOME BEFORE TRANSFERS	640,882
Transfers In	<u>220,750</u>
CHANGE IN NET ASSETS	861,632
NET ASSETS – BEGINNING OF YEAR	<u>1,053,485</u>
NET ASSETS – END OF YEAR	<u><u>\$ 1,915,117</u></u>

See accompanying notes.

Sumter County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2005

	Governmental Activities
	Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Received for Premiums	\$ 5,669,399
Cash Paid on Insurance Claims	(2,767,419)
Cash Paid for Insurance and Reinsurance	(1,127,708)
Cash Paid to Other Vendors	<u>(489,430)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,284,842</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers In	<u>220,741</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Purchase of Investments	(1,295,375)
Interest Received	<u>53,590</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,241,785)</u>
NET INCREASE IN CASH AND EQUIVALENTS	263,798
CASH AND EQUIVALENTS – BEGINNING OF YEAR	<u>146,657</u>
CASH AND EQUIVALENTS – END OF YEAR	<u><u>\$ 410,455</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
OPERATING INCOME	\$ 587,292
Change in Assets and Liabilities:	
Due From Other Funds	14,639
Due From Other Governments	177
Receivables	43,379
Accounts Payable	591,178
Due to Other Funds	37,856
Unearned Revenue	<u>10,321</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 1,284,842</u></u>

See accompanying notes.

Sumter County, Florida
Statement of Fiduciary Net Assets
September 30, 2005

	Agency Funds
<u>ASSETS</u>	
Cash and Equivalents	\$ 1,669,301
Due From Other Governments	<u>208</u>
 TOTAL ASSETS	 1,669,509
 <u>LIABILITIES</u>	
Assets Held For Others	<u>1,669,509</u>
 NET ASSETS	 <u><u>\$ -</u></u>

See accompanying notes.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Sumter County, Florida (the "County") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

The County is a non-charter, general purpose local government established under the legal authority of the Constitution of the State of Florida. It is composed of an elected Board of County Commissioners and elected constitutional officers -- Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections -- that operate as separate county agencies.

The accompanying financial statements present the County as the primary government, and also present its component unit, an entity for which the County is considered to be financially accountable.

Blended Component Units – Although legally separate entities, blended component units are in substance part of the primary government's operations and, accordingly, data from these units, if any, would be combined with the data of the primary government. There are no blended component units included in the accompanying financial statements.

Discretely Presented Component Units – Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate entities. The accompanying financial statements include one discretely presented component unit, the Sumter County Industrial Development Authority (IDA), which is a dependent special district created by County Ordinance No. 79-1, on January 17, 1979 pursuant to the authority provided in Chapter 159, Florida Statutes, for the purpose of developing and promoting industrial growth in Sumter County. The board members of IDA are appointed by the Board of County Commissioners. Separately-issued financial statements of IDA, which has a September 30 year end, are not available.

Joint Venture – The governments of Sumter and Lake counties established a non-profit organization, Lake-Sumter Emergency Medical Services, Inc., (the "Joint Venture") through an interlocal agreement. The Joint Venture was established to provide emergency medical services to the citizens of Sumter and Lake counties. The Joint Venture is governed by a Board of Directors whose members are appointed by each participating government. The County does not have an ongoing financial interest in the Joint Venture. However, the County does have an ongoing financial responsibility to the Joint Venture in that the Joint Venture's continued existence depends on the County's continuing participation. For the year ended September 30, 2005, the County's portion of funding for the Joint Venture was approximately \$1,256,000. Separately-issued financial statements of the Joint Venture may be obtained in the Lake County Office of the Clerk of Courts, Post Office Box 7800, Tavares, Florida 32778.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees charged to external parties. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements, but all nonmajor funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The County reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

Impact Fee Fund – This fund is used to accumulate resources from developers and citizens to fund the construction of roads and the acquisition of rights-of-ways as designated in the County's Impact Fee Ordinance. Financing is provided by the levy and collection of impact fees.

Sheriff – This fund is used to account for the operations of the Sheriff's Office, including the operations of the County's Detention Center.

Additionally, the County reports the following fund types:

Internal service funds account for the risk financing activities of the Board and the other county agencies on a cost reimbursement basis.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Agency funds account for resources held in a purely custodial capacity.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Taxes and certain intergovernmental revenues constitute the most significant sources of revenue considered susceptible to accrual. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Cash and Equivalents

The financial institutions in which the county agencies and the component unit place their deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

For purposes of the Statement of Cash Flows, only highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

Investment in State Pool

The County invests temporarily idle resources in the Local Government Surplus Funds Trust Fund, an external investment pool administered by the State of Florida (the pool). The pool has adopted operating procedures consistent with the requirements for a 2a-7 like pool and the fair value of the position in the pool is equal to the value of the pool shares. The pool is not rated by a nationally recognized statistical rating agency as of September 30, 2005. Pursuant to the provisions of GASB Statement No. 31, such investments are stated at cost.

Inventory

Inventory is valued at cost under the first-in, first-out method and is accounted for using the consumption method. An offsetting "reserve" is reported in the fund financial statements to indicate that inventories do not represent available spendable resources.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mortgages Receivable

Mortgages receivable are reported net of an allowance for uncollectible accounts of approximately \$76,000. Most of the balance is not expected to be repaid within the next fiscal year.

Capital Assets

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date donated. The threshold for capitalizing property and equipment is generally \$5,000. The threshold for capitalizing infrastructure is \$25,000.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30 – 50 yrs
Improvements	10 – 50 yrs
Equipment	5 – 15 yrs
Infrastructure	25 – 85 yrs

Deferred Revenue

Approximately 98% of deferred revenues recorded in the accompanying financial statements is comprised of impact fees collected under County Ordinance. Revenues will be recognized only if the construction of roads is performed.

Compensated Absences

Personnel policies of the various county agencies allow a limited accumulation and vesting of unused employee vacation and sick leave. A liability is accrued when incurred in the government-wide financial statements. However, a liability is reported in governmental funds only when payment is due.

Reserved Fund Balance

In the accompanying fund financial statements, use of the term *reserved* is limited to indicating that a portion of reported fund equity is legally restricted to a specific future use or is not available for appropriation or expenditure.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Reserved For</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Inventory	\$ -	\$ 63,412	\$ 63,412
Landfill Closure and Long-Term Care	201,829	42,166	243,995
Specific Use	-	431,964	431,964
Debt Service	-	313,863	313,863
Totals	<u>\$ 201,829</u>	<u>\$ 851,405</u>	<u>\$ 1,053,234</u>

Restricted Net Assets

In the accompanying statement of net assets, *restricted net assets* are subject to restrictions beyond the County's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling obligation. It is the practice of the County to utilize restricted assets before unrestricted assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – INVESTMENTS

The County invests excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes. Accordingly, the County is authorized to invest excess public funds in the following instruments: The Local Government Surplus Funds Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

NOTE 3 – PROPERTY TAXES

Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien Date	January 1
Levy Date	October 1
Discount Periods	November – February
No Discount Period	March
Delinquent Date	April 1

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 4 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2005, interfund balances consisted of:

<u>Due From</u>	<u>Due To</u>				<u>Total</u>
	<u>General</u>	<u>Sheriff</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	
General Fund	\$ -	\$ 90,915	\$556,802	\$ 9	\$ 647,726
Impact Fee Fund	-	-	11,413	-	11,413
Sheriff	597,979	-	25,567	-	623,546
Nonmajor Governmental	915,148	122,895	148,072	-	1,186,115
Internal Service	23,750	-	14,182	-	37,932
Totals	<u>\$1,536,877</u>	<u>\$213,810</u>	<u>\$756,036</u>	<u>\$ 9</u>	<u>\$2,506,732</u>

The interfund balances resulted from the normal course of operations and are expected to be paid within one year.

Interfund transfers are summarized below:

<u>Transfer In</u>	<u>Transfer Out</u>			<u>Total</u>
	<u>General</u>	<u>Sheriff</u>	<u>Nonmajor Governmental</u>	
General Fund	\$ -	\$527,635	\$ 4,632,536	\$ 5,160,171
Sheriff	13,929,370	-	256,889	14,186,259
Nonmajor Governmental	9,402,160	-	856,509	10,258,669
Internal Service	205,078	-	15,672	220,750
Totals	<u>\$23,536,608</u>	<u>\$527,635</u>	<u>\$ 5,761,606</u>	<u>\$29,825,849</u>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Governmental Funds

At September 30, 2005, General Fund payables consisted of 20% wages and benefits payable and 80% payable to vendors in the normal course of business.

The payables of the nonmajor governmental funds consist primarily of amounts due for goods and services received in the normal course of business.

Proprietary Fund

Internal Service Fund payables are composed of normal trade payables, primarily for health insurance claims.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 6 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 46,314,569	\$ 4,090,779	\$ -	\$ 50,405,348
Construction in Progress	3,003,559	2,195,207	2,077,216	3,121,550
Total Capital Assets Not Being Depreciated	49,318,128	6,285,986	2,077,216	53,526,898
Capital Assets Being Depreciated:				
Buildings	29,111,524	1,735,970	-	30,847,494
Improvements	4,654,558	278,544	-	4,933,102
Equipment	19,371,132	1,920,410	2,247,509	19,044,033
Infrastructure	44,110,486	6,541,091	-	50,651,577
Assets Under Capital Lease	250,711	79,305	50,081	279,935
Total Capital Assets Being Depreciated	97,498,411	10,555,320	2,297,590	105,756,141
Less Accumulated Depreciation For:				
Buildings	5,578,337	652,810	-	6,231,147
Improvements	1,260,728	196,570	-	1,457,298
Equipment	9,465,341	1,689,739	1,138,981	10,016,099
Infrastructure	858,017	550,273	-	1,408,290
Assets Under Capital Lease	14,874	13,358	-	28,232
Total Accumulated Depreciation	17,177,297	3,102,750	1,138,981	19,141,066
Total Capital Assets Being Depreciated, Net	80,321,114	7,452,570	1,158,609	86,615,075
Capital Assets, Net	<u>\$129,639,242</u>	<u>\$ 13,738,556</u>	<u>\$ 3,235,825</u>	<u>\$ 140,141,973</u>

Depreciation expense was charged to the functions of the primary government as follows:

General Government	\$ 469,452
Public Safety	876,281
Physical Environment	437,177
Transportation	916,169
Economic Environment	6,285
Human Services	101,708
Culture and Recreation	143,107
Court Costs	152,571
Total Depreciation Expense	<u>\$ 3,102,750</u>

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 7 – LONG-TERM LIABILITIES

At September 30, 2005, long-term liabilities consisted of:

1998 Capital Improvement Revenue Refunding Bonds	\$ 3,375,000
2003 Capital Improvement Revenue Refunding Bonds	8,870,000
Less Deferred Amounts	351,686
Capital Lease Obligation	387,645
Landfill Long-Term Care Costs	136,062
Compensated Absences	<u>1,961,000</u>
Total Long-Term Liabilities	<u><u>\$ 14,378,021</u></u>

Aggregate maturities of the bonds are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 430,000	\$ 511,591	\$ 941,591
2007	445,000	497,351	942,351
2008	460,000	482,331	942,331
2009	470,000	466,511	936,511
2010	495,000	449,123	944,123
2011-2015	2,790,000	1,923,410	4,713,410
2016-2020	3,615,000	1,260,450	4,875,450
2021-2025	<u>3,540,000</u>	<u>407,025</u>	<u>3,947,025</u>
Total	<u><u>\$ 12,245,000</u></u>	<u><u>\$ 5,997,792</u></u>	<u><u>\$ 18,242,792</u></u>

1998 Capital Improvement Revenue Refunding Bonds

On August 1, 1998, the County issued \$4,775,000 Sumter County Capital Improvement Revenue Refunding Bonds to advance refund 1990A Series Capital Improvement Revenue Refunding Bonds.

Debt service is payable solely from the proceeds of race track revenue distributed by the State from the Pari-mutual Tax Wagering Trust Fund and from the proceeds of the local government half-cent sales tax distributed by the State from the Local Government Half-Cent Sales Tax Clearing Trust Fund. Interest is payable semiannually on June 1 and December 1 at rates ranging from 4.25% to 5%. Principal is payable on June 1.

2003 Capital Improvement Revenue Refunding Bonds

On October 14, 2003, The County issued \$9,435,000 Sumter County Capital Improvement Revenue Refunding Bonds to current refund the 1993 Series Capital Improvement Revenue Refunding Bonds and advance refund the 1994 Capital Improvement Revenue Refunding Bonds.

Debt service is payable solely from proceeds of race track revenue distributed by the State from the Pari-mutual Tax Wagering Trust Fund, proceeds of the local government

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 7 – LONG-TERM LIABILITIES

half-cent sales tax distributed by the State from the Local Government Half-Cent Sales Tax Clearing Trust Fund, and the “Guaranteed Entitlement” and “Second Guaranteed Entitlement for Counties” distributed by the State from the Revenue Sharing Trust Fund.

The lien of the Series 2004 Bonds on the Pledged Revenues is on a parity with the lien thereon of the 1998 Capital Improvement Revenue Refunding Bonds. Interest is payable semiannually on June 1 and December 1 at rates ranging from 2% to 4.25%. Principal is payable on June 1.

Capital Lease Obligation

The County has capital lease obligations at September 30, 2005 for various equipment. Interest rates on these capital leases range from 3% to 6%.

Future lease payments, together with the present value of the minimum lease payments, are summarized in the following tabulation:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2006	\$ 122,974
2007	121,269
2008	101,540
2009	49,967
2010	13,975
2011-2015	<u>13,977</u>
Total Minimum Lease Payments	423,702
Less: Amount Representing Interest	<u>36,057</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 387,645</u></u>

Landfill Long-Term Care Costs

The Florida Department of Environmental Protection (the “D.E.P.”) requires landfill owners to perform certain maintenance and monitoring functions at the landfill sites for twenty to thirty years after closure. The County has accrued \$136,062 for such estimated long-term care costs as of September 30, 2005 for its closed Class I Landfill.

The estimated costs of post-closure care are subject to changes such as the effects of inflation, revision of laws and other variables.

Additionally, the D.E.P. requires that landfill owners escrow landfill post-closure maintenance costs in an amount sufficient to cover the following year’s long-term care costs once the landfills are capped. The County has escrowed approximately \$42,166 to cover D.E.P’s landfill long-term care costs.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, <u>2004</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2005</u>	Due Within <u>One Year</u>
Bonds Payable	\$ 12,660,000	\$ -	\$ 415,000	\$ 12,245,000	\$ 430,000
Less Deferred Amounts:					
For Issuance Discounts	141,518	-	7,448	134,070	-
On Refunding	<u>229,705</u>	<u>-</u>	<u>12,089</u>	<u>217,616</u>	<u>-</u>
Total Bonds Payable	12,288,777	-	395,463	11,893,314	430,000
Capital Lease Obligation	430,208	69,251	111,814	387,645	108,464
Landfill Long-Term Care Costs	-	136,062	-	136,062	-
Compensated Absences	<u>1,701,200</u>	<u>1,267,700</u>	<u>1,007,900</u>	<u>1,961,000</u>	<u>875,000</u>
Totals	<u>\$ 14,420,185</u>	<u>\$ 1,473,013</u>	<u>\$ 1,515,177</u>	<u>\$ 14,378,021</u>	<u>\$ 1,413,464</u>

NOTE 9 – PRIOR YEAR IN-SUBSTANCE DEFEASANCE OF DEBT

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. The amount of bonds outstanding at September 30, 2005 that are considered defeased by the 1998 Capital Improvement Revenue Refunding bonds is not readily determinable.

The 2003 Capital Improvement Refunding Revenue Bonds were issued to advance refund the \$3,120,000 1994 Capital Improvement Revenue Refunding Bonds and to current refund the \$6,055,000 1993 Capital Improvement Revenue Refunding Bonds. The amount of bonds outstanding at September 30, 2005 of the defeased debt is \$2,300,000.

NOTE 10 – PENSION PLAN

Plan Description. The County contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida 32399, or by calling (850) 488-5706.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 10 – PENSION PLAN

Funding Policy. The System is employee noncontributory. The County is required to contribute at an actuarially determined rate. The rates at September 30, 2005 were as follows: Regular Employees 7.83%; Special Risk Employees 18.53%; Senior Management 10.45%; Elected Officials 15.23%. The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County's contributions to the System for the years ended September 30, 2005, 2004 and 2003 were approximately \$2,086,000, \$1,825,000 and \$1,401,000, respectively, equal to the required contributions for each year.

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS

The County provides certain health care benefits for retired employees and their dependents. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care benefits is recognized as an expense of the Internal Service Fund as claims and premiums are paid. During the year, there were approximately 43 participants eligible to receive benefits. The County contributed approximately \$48,000 in premiums for this benefit and participants contributed \$127,000. For 2005, approximately \$246,000 in claims was paid for eligible plan participants.

NOTE 12 – RISK MANAGEMENT

Public Entity Risk Pool

The County is exposed to various risks of loss related to general liability, auto liability, collision and worker's compensation. To manage these risks, the County joined the Florida Association of Counties Trust and Preferred Governmental Insurance Trust (the "Trusts"), public entity risk pools currently operating as common risk management and insurance programs for several members. Premiums paid to the Trusts are designed to fund the risks assumed by the Trusts and are based on certain actual exposures of each member.

The Sheriff participates in the Florida Sheriffs' self-insurance fund for risk related to professional police and automobile liability. The Sheriff had no settlements that exceeded coverage in the 2004-2005 fiscal year.

Commercial Insurance

The County carries commercial insurance for certain risks associated with property, inland marine and crime. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 12 – RISK MANAGEMENT

Self-Insurance

The County is exposed to various risks of loss related to employee health and dental claims for which it is self-insured. An excess coverage insurance policy covers individual claims in excess of \$50,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Liabilities are reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, including an estimate for those incurred but not reported (IBNRs). This estimate is based on historical experience and current trends, and is reported at current dollar value.

An Internal Service Fund (Group Insurance Fund) is used to account for the County's retained risk management activities. Changes in the Fund's claims liability were as follows:

	Beginning of Year <u>Liability</u>	Claims <u>Incurred</u>	Claims <u>Paid</u>	End of Year <u>Liability</u>
2003-2004	\$ 377,062	\$ 3,315,193	\$ 3,544,448	\$ 147,807
2004-2005	\$ 147,807	\$ 3,450,384	\$ 2,817,249	\$ 780,942

NOTE 13 – CONDUIT DEBT OBLIGATIONS

The Industrial Development Authority (a discretely presented component unit) has issued bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest.

The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County nor the Industrial Development Authority is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2005, the aggregate principal amount payable is not reasonably determinable.

NOTE 14 – COMMITMENTS

At September 30, 2005, the County had contractual commitments for construction projects totaling approximately \$475,000 in excess of amounts that have been recognized in the financial statements.

Sumter County, Florida
Notes to Financial Statements
September 30, 2005

NOTE 15 – CONTINGENT LIABILITIES

The County is involved in lawsuits in the normal course of operations. It is the opinion of management and the County's attorneys that any unrecorded, uninsured claims resulting from such litigation would not be material in relation to the County's financial condition.

The County is actively securing rights-of-ways for major road construction and expansions. Through these activities the County has exercised its right of eminent domain. At September 30, 2005 the County has deposited good faith estimates with the Clerk of Courts in an attempt to reach settlements on the acquisition price with owners of these properties. There are several actions still pending and the ultimate amounts to be settled are not determinable in the opinion of legal counsel.

REQUIRED SUPPLEMENTARY INFORMATION

Sumter County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2005

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 25,843,649	\$ 25,843,649	\$ 26,095,258	\$ 251,609
Licenses and Permits	4,249,757	4,249,757	3,905,974	(343,783)
Intergovernmental	314,900	1,500,569	1,325,295	(175,274)
Charges for Services	1,895,510	1,949,957	2,295,916	345,959
Fines and Forfeitures	34,000	34,000	38,743	4,743
Miscellaneous	150,100	295,848	583,504	287,656
TOTAL REVENUES	32,487,916	33,873,780	34,244,690	370,910
<u>EXPENDITURES</u>				
Current:				
General Government	4,532,044	4,659,883	3,890,839	769,044
Public Safety	5,932,145	5,718,642	4,655,622	1,063,020
Physical Environment	484,705	710,780	572,037	138,743
Economic Environment	517,529	828,169	566,019	262,150
Human Services	1,583,643	1,671,006	1,142,043	528,963
Culture and Recreation	1,557,215	2,000,871	1,564,205	436,666
Court Costs	23,800	27,800	17,904	9,896
Reserve for Contingencies	2,671,616	1,784,214	-	1,784,214
TOTAL EXPENDITURES	17,302,697	17,401,365	12,408,669	4,992,696
EXCESS OF REVENUES OVER EXPENDITURES	15,185,219	16,472,415	21,836,021	5,363,606
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	3,991,572	3,991,622	5,160,171	1,168,549
Transfers Out	(22,356,003)	(23,710,210)	(23,536,608)	173,602
TOTAL OTHER FINANCING SOURCES (USES)	(18,364,431)	(19,718,588)	(18,376,437)	1,342,151
NET CHANGE IN FUND BALANCES	(3,179,212)	(3,246,173)	3,459,584	6,705,757
FUND BALANCES – BEGINNING OF YEAR	6,450,000	6,586,257	7,541,245	954,988
FUND BALANCES – END OF YEAR	\$ 3,270,788	\$ 3,340,084	\$ 11,000,829	\$ 7,660,745

Notes to Budgetary Comparison Schedule

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Sumter County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Impact Fees
For the Year Ended September 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
<u>REVENUES</u>				<u>Budget</u>
Miscellaneous	\$ 10,289,610	\$ 10,289,610	\$ 7,494,284	\$(2,795,326)
<u>EXPENDITURES</u>				
Current:				
Transportation	<u>9,775,129</u>	<u>9,775,129</u>	<u>7,300,516</u>	<u>2,474,613</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	514,481	514,481	193,768	(320,713)
FUND BALANCES – BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>53,419</u>	<u>53,419</u>
FUND BALANCES – END OF YEAR	<u>\$ 514,481</u>	<u>\$ 514,481</u>	<u>\$ 247,187</u>	<u>\$ (267,294)</u>

Notes to Budgetary Comparison Schedule

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Sumter County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sheriff
For the Year Ended September 30, 2005

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental	\$ -	\$ 136,500	\$ 136,529	\$ 29
Miscellaneous	-	218,283	174,595	(43,688)
TOTAL REVENUES	-	354,783	311,124	(43,659)
<u>EXPENDITURES</u>				
Current:				
Public Safety	13,682,971	14,540,759	13,969,748	571,011
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,682,971)	(14,185,976)	(13,658,624)	527,352
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	13,682,971	14,185,976	14,186,259	283
Transfers Out	-	-	(527,635)	(527,635)
TOTAL OTHER FINANCING SOURCES (USES)	13,682,971	14,185,976	13,658,624	(527,352)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES – BEGINNING OF YEAR	-	-	-	-
FUND BALANCES – END OF YEAR	\$ -	\$ -	\$ -	\$ -

Notes to Budgetary Comparison Schedule

The preparation, adoption, and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

SUPPLEMENTAL INFORMATION

Sumter County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2005

Special Revenue Funds

	<u>Small Grants</u>	<u>Solid Waste</u>	<u>Law Enforce- ment Trust</u>	<u>Fire Districts</u>	<u>Section 8 Housing</u>
<u>ASSETS</u>					
Cash and Equivalents	\$ 128,085	\$ 89,136	\$ 5,509	\$ 149,234	\$ 38,728
Investment in State Pool	44,302	914,720	109,613	2,803	61,949
Due From Other Funds	258	816	-	335,941	-
Due From Other Governments	100	53,902	-	56,038	-
Receivables	-	250,296	-	3,087	-
Mortgage Receivables	-	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	<u>\$ 172,745</u>	<u>\$ 1,308,870</u>	<u>\$ 115,122</u>	<u>\$ 547,103</u>	<u>\$ 100,677</u>
<u>LIABILITIES</u>					
Accounts Payable and Accrued					
Liabilities	\$ 36,556	\$ 229,958	\$ -	\$ 272,227	\$ 2,106
Due to Other Funds	1,078	2,681	2,000	49,873	194
Deferred Revenue	35,153	-	-	109,502	-
TOTAL LIABILITIES	<u>72,787</u>	<u>232,639</u>	<u>2,000</u>	<u>431,602</u>	<u>2,300</u>
<u>FUND BALANCES</u>					
Reserved	85,145	42,166	-	-	-
Unreserved	14,813	1,034,065	113,122	115,501	98,377
TOTAL FUND BALANCES	<u>99,958</u>	<u>1,076,231</u>	<u>113,122</u>	<u>115,501</u>	<u>98,377</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 172,745</u>	<u>\$ 1,308,870</u>	<u>\$ 115,122</u>	<u>\$ 547,103</u>	<u>\$ 100,677</u>

Sumter County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2005

(continued)

	Special Revenue Funds						
	911 Emergency Telephone System	Anti- Drug Abuse	County Transit	Sumter Govern- ment Office Building	Boating Improve- ment	Animal Control	Inter Govern- mental Radio Communi- cations
ASSETS							
Cash and Equivalents	\$ 10,513	\$ 22,400	\$ 141,788	\$ 64,994	\$ 339	\$ 1,754	\$ 46,032
Investment in State Pool	185,711	-	263,917	275	11,761	-	45,801
Due From Other Funds	-	2,000	63,376	214,935	-	25	8,113
Due From Other Governments	14,427	28,308	87,284	-	51,096	-	-
Receivables	17,690	-	6,382	326	-	-	-
Mortgage Receivables	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 228,341	\$ 52,708	\$ 562,747	\$ 280,530	\$ 63,196	\$ 1,779	\$ 99,946
LIABILITIES							
Accounts Payable and Accrued							
Liabilities	\$ 315	\$ 10,568	\$ 30,262	\$ 280,522	\$ -	\$ -	\$ 25,730
Due to Other Funds	13,469	27,176	20,089	-	-	-	-
Deferred Revenue	-	14,039	-	-	49,500	-	-
TOTAL LIABILITIES	13,784	51,783	50,351	280,522	49,500	-	25,730
FUND BALANCES							
Reserved	-	-	-	-	-	-	-
Unreserved	214,557	925	512,396	8	13,696	1,779	74,216
TOTAL FUND BALANCES	214,557	925	512,396	8	13,696	1,779	74,216
TOTAL LIABILITIES AND FUND BALANCES	\$ 228,341	\$ 52,708	\$ 562,747	\$ 280,530	\$ 63,196	\$ 1,779	\$ 99,946

Sumter County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2005

(continued)

	<u>Special Revenue Funds</u>					
	<u>Police Education</u>	<u>Alcohol and Drug Abuse</u>	<u>Kitchen Facilities</u>	<u>Court Improve- ment</u>	<u>Magnolia Manor Water Facility</u>	<u>Choose Life Specialty Plates</u>
<u>ASSETS</u>						
Cash and Equivalents	\$ 57	\$ 2,592	\$ 10,262	\$ 541	\$ 1,343	\$ 11,883
Investment in State Pool	-	-	17,944	123,634	-	-
Due From Other Funds	1,248	362	-	12,110	-	-
Due From Other Governments	-	-	-	-	-	-
Receivables	-	-	-	-	6,626	-
Mortgage Receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 1,305</u></u>	<u><u>\$ 2,954</u></u>	<u><u>\$ 28,206</u></u>	<u><u>\$ 136,285</u></u>	<u><u>\$ 7,969</u></u>	<u><u>\$ 11,883</u></u>
<u>LIABILITIES</u>						
Accounts Payable and Accrued						
Liabilities	\$ -	\$ -	\$ 3,839	\$ 5,944	\$ 950	\$ -
Due to Other Funds	-	-	-	-	-	-
Deferred Revenue	-	-	2,140	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>5,979</u>	<u>5,944</u>	<u>950</u>	<u>-</u>
<u>FUND BALANCES</u>						
Reserved	-	-	-	-	-	-
Unreserved	1,305	2,954	22,227	130,341	7,019	11,883
TOTAL FUND BALANCES	<u>1,305</u>	<u>2,954</u>	<u>22,227</u>	<u>130,341</u>	<u>7,019</u>	<u>11,883</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,305</u></u>	<u><u>\$ 2,954</u></u>	<u><u>\$ 28,206</u></u>	<u><u>\$ 136,285</u></u>	<u><u>\$ 7,969</u></u>	<u><u>\$ 11,883</u></u>

Sumter County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2005

(continued)

	Special Revenue Funds					
	Lake Panasoffkee Canal	Florida Organic Center	County Trans- portation Trust Fund	Second- ary Trust Fund	SHIP	Crime Preven- tion Fund
<u>ASSETS</u>						
Cash and Equivalents	\$ 25,079	\$ 137	\$ 610,213	\$ 155,922	\$ 49,749	\$ 23,552
Investment in State Pool	-	-	2,119,003	530,080	1,311,440	-
Due From Other Funds	-	-	59,271	11,413	153	1,791
Due From Other Governments	2,648	328,826	788,356	116,896	-	-
Receivables	-	-	60	-	-	-
Mortgage Receivables	-	-	-	-	539,039	-
Inventory	-	-	56,400	-	-	-
TOTAL ASSETS	<u>\$ 27,727</u>	<u>\$ 328,963</u>	<u>\$ 3,633,303</u>	<u>\$ 814,311</u>	<u>\$ 1,900,381</u>	<u>\$ 25,343</u>
<u>LIABILITIES</u>						
Accounts Payable and Accrued						
Liabilities	\$ 817	\$ 20,046	\$ 208,604	\$ 71,306	\$ 2,100	\$ -
Due to Other Funds	-	308,917	127,465	-	127	-
Deferred Revenue	-	-	-	-	539,039	-
TOTAL LIABILITIES	<u>817</u>	<u>328,963</u>	<u>336,069</u>	<u>71,306</u>	<u>541,266</u>	<u>-</u>
<u>FUND BALANCES</u>						
Reserved	-	-	56,400	-	-	-
Unreserved	26,910	-	3,240,834	743,005	1,359,115	25,343
TOTAL FUND BALANCES	<u>26,910</u>	<u>-</u>	<u>3,297,234</u>	<u>743,005</u>	<u>1,359,115</u>	<u>25,343</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,727</u>	<u>\$ 328,963</u>	<u>\$ 3,633,303</u>	<u>\$ 814,311</u>	<u>\$ 1,900,381</u>	<u>\$ 25,343</u>

Sumter County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2005

(continued)

	<u>Special Revenue Funds</u>						
	<u>Court Local Require- ments Fund</u>	<u>Court Tech- nology Fund</u>	<u>Tourist Development Fund</u>	<u>Home Tenant Based Rental Assistance</u>	<u>Canteen Fund</u>	<u>Reconds Modern- ization</u>	<u>Clerk of Circuit Court</u>
<u>ASSETS</u>							
Cash and Equivalents	\$ 26,811	\$ 83,124	\$ 36,249	\$ 124	\$ 19,473	\$ 295,896	\$ 222,188
Investment in State Pool	-	152,245	120,031	-	-	-	-
Due From Other Funds	4,946	25,096	-	-	-	-	-
Due From Other Governments	-	-	7,938	-	-	-	-
Receivables	-	-	-	-	6,376	-	-
Mortgage Receivables	-	-	-	-	-	-	-
Inventory	-	-	-	-	7,012	-	-
TOTAL ASSETS	<u>\$ 31,757</u>	<u>\$ 260,465</u>	<u>\$ 164,218</u>	<u>\$ 124</u>	<u>\$ 32,861</u>	<u>\$ 295,896</u>	<u>\$ 222,188</u>
<u>LIABILITIES</u>							
Accounts Payable and Accrued Liabilities	\$ 5,882	\$ 9,583	\$ -	\$ -	\$ -	\$ -	\$ 73,086
Due to Other Funds	-	-	-	65	18,791	-	149,102
Deferred Revenue	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>5,882</u>	<u>9,583</u>	<u>-</u>	<u>65</u>	<u>18,791</u>	<u>-</u>	<u>222,188</u>
<u>FUND BALANCES</u>							
Reserved	-	-	-	-	7,012	-	-
Unreserved	25,875	250,882	164,218	59	7,058	295,896	-
TOTAL FUND BALANCES	<u>25,875</u>	<u>250,882</u>	<u>164,218</u>	<u>59</u>	<u>14,070</u>	<u>295,896</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 31,757</u>	<u>\$ 260,465</u>	<u>\$ 164,218</u>	<u>\$ 124</u>	<u>\$ 32,861</u>	<u>\$ 295,896</u>	<u>\$ 222,188</u>

Sumter County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2005

(continued)

	<u>Special Revenue Funds</u>					<u>Debt Service Funds</u>
	<u>Clerk Fine and Forfeiture Fund</u>	<u>Clerk Court Tech- nology Appraiser</u>	<u>Tax Collector</u>	<u>Property Appraiser</u>	<u>Supervisor of Elections</u>	<u>98 & 03 Sinking Fund</u>
<u>ASSETS</u>						
Cash and Equivalents	\$ 578,977	\$ 261,344	\$ 153,884	\$ 43,383	\$ 9,981	\$ 1,226
Investment in State Pool	-	-	-	-	-	314,141
Due From Other Funds	-	-	14,182	-	-	-
Due From Other Governments	6,154	-	-	-	-	241,860
Receivables	-	-	-	-	-	-
Mortgage Receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 585,131</u>	<u>\$ 261,344</u>	<u>\$ 168,066</u>	<u>\$ 43,383</u>	<u>\$ 9,981</u>	<u>\$ 557,227</u>
<u>LIABILITIES</u>						
Accounts Payable and Accrued						
Liabilities	\$ 560,093	\$ -	\$ 20,180	\$ 3,048	\$ 1,516	\$ -
Due to Other Funds	25,038	-	147,886	40,335	8,465	243,364
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	<u>585,131</u>	<u>-</u>	<u>168,066</u>	<u>43,383</u>	<u>9,981</u>	<u>243,364</u>
<u>FUND BALANCES</u>						
Reserved	-	-	-	-	-	313,863
Unreserved	-	261,344	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>261,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,863</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 585,131</u>	<u>\$ 261,344</u>	<u>\$ 168,066</u>	<u>\$ 43,383</u>	<u>\$ 9,981</u>	<u>\$ 557,227</u>

Sumter County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2005

(concluded)

Capital Projects Funds

	Agriculture Center Fund	Capital Projects Fund	Magnolia Manor Water	Totals
<u>ASSETS</u>				
Cash and Equivalents	\$ 40,535	\$ 130,916	\$ 15	\$ 3,493,968
Investment in State Pool	319,496	881,227	82,236	7,612,329
Due From Other Funds	-	-	-	756,036
Due From Other Governments	50,000	-	-	1,833,833
Receivables	-	-	-	290,843
Mortgage Receivables	-	-	-	539,039
Inventory	-	-	-	63,412
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 410,031</u>	<u>\$ 1,012,143</u>	<u>\$ 82,251</u>	<u>\$ 14,589,460</u>
<u>LIABILITIES</u>				
Accounts Payable and Accrued				
Liabilities	\$ 190,908	\$ -	\$ 68,114	2,134,260
Due to Other Funds	-	-	-	1,186,115
Deferred Revenue	-	-	-	749,373
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>190,908</u>	<u>-</u>	<u>68,114</u>	<u>4,069,748</u>
<u>FUND BALANCES</u>				
Reserved	-	346,819	-	851,405
Unreserved	219,123	665,324	14,137	9,668,307
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>219,123</u>	<u>1,012,143</u>	<u>14,137</u>	<u>10,519,712</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 410,031</u>	<u>\$ 1,012,143</u>	<u>\$ 82,251</u>	<u>\$ 14,589,460</u>

Sumter County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2005

	<u>Special Revenue Funds</u>				
	<u>Small Grants</u>	<u>Solid Waste</u>	<u>Law Enforce- ment Trust</u>	<u>Fire Districts</u>	<u>Section 8 Housing</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	126,096	-	-	505,854	546,460
Charges for Services	-	2,290,769	-	28,364	-
Fines and Forfeitures	-	-	9,785	-	-
Miscellaneous	6,016	135,075	3,063	2,008,241	7,031
TOTAL REVENUES	132,112	2,425,844	12,848	2,542,459	553,491
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	27,789	-	-	3,644,950	-
Physical Environment	89,434	3,228,064	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	545,949
Human Services	220,789	-	-	-	-
Culture and Recreation	1,550	-	-	-	-
Court Costs	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	35,347	-
Interest and Fiscal Charges	-	-	-	5,497	-
TOTAL EXPENDITURES	339,562	3,228,064	-	3,685,794	545,949
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(207,450)	(802,220)	12,848	(1,143,335)	7,542
OTHER FINANCING SOURCES (USES)					
Transfers In	185,296	1,402,373	-	1,217,679	-
Transfers Out	-	-	(15,654)	-	-
Capital Leases	-	-	-	69,251	-
TOTAL OTHER FINANCING SOURCES (USES)	185,296	1,402,373	(15,654)	1,286,930	-
NET CHANGE IN FUND BALANCES	(22,154)	600,153	(2,806)	143,595	7,542
FUND BALANCES – October 1, 2004	122,112	476,078	115,928	(28,094)	90,835
FUND BALANCES – September 30, 2005	\$ 99,958	\$ 1,076,231	\$ 113,122	\$ 115,501	\$ 98,377

Sumter County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2005

(continued)

	Special Revenue Funds						
	911 Emergency Telephone System	Anti- Drug Abuse	County Transit	Sumter Govern- ment Office Building	Boating Improve- ment	Animal Control	Inter Govern- mental Radio Communi- cations
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	125,222	427,080	-	-	-	-
Charges for Services	276,605	-	368,857	-	18,839	1,185	170,175
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	198,268	53	7,475	773,837	1,355	28	10,466
TOTAL REVENUES	474,873	125,275	803,412	773,837	20,194	1,213	180,641
EXPENDITURES							
Current:							
General Government	-	-	-	1,782,365	-	-	-
Public Safety	372,786	23,437	-	-	-	-	139,346
Physical Environment	-	-	-	-	-	-	-
Transportation	-	-	1,333,526	-	-	-	-
Economic Environment	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	49,500	-	-
Court Costs	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	57,321
Interest and Fiscal Charges	-	-	-	-	-	-	6,519
TOTAL EXPENDITURES	372,786	23,437	1,333,526	1,782,365	49,500	-	203,186
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	102,087	101,838	(530,114)	(1,008,528)	(29,306)	1,213	(22,545)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	15,654	756,203	907,448	-	-	-
Transfers Out	(73,651)	(119,644)	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(73,651)	(103,990)	756,203	907,448	-	-	-
NET CHANGE IN FUND BALANCES	28,436	(2,152)	226,089	(101,080)	(29,306)	1,213	(22,545)
FUND BALANCES – October 1, 2004	186,121	3,077	286,307	101,088	43,002	566	96,761
FUND BALANCES – September 30, 2005	\$ 214,557	\$ 925	\$ 512,396	\$ 8	\$ 13,696	\$ 1,779	\$ 74,216

Sumter County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2005

(continued)

	<u>Special Revenue Funds</u>					
	<u>Police Education</u>	<u>Alcohol and Drug Abuse</u>	<u>Kitchen Facilities</u>	<u>Court Improve- ment</u>	<u>Magnolia Manor Water Facility</u>	<u>Choose Life Specialty Plates</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	3,134
Charges for Services	25,438	3,290	-	225,579	18,581	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	294	80	25,194	4,664	88	218
TOTAL REVENUES	25,732	3,370	25,194	230,243	18,669	3,352
EXPENDITURES						
Current:						
General Government	-	-	44,671	-	-	-
Public Safety	24,427	-	-	-	-	-
Physical Environment	-	-	-	-	16,800	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	3,000	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Costs	-	-	-	129,414	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	24,427	3,000	44,671	129,414	16,800	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,305	370	(19,477)	100,829	1,869	3,352
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(67,502)	-	-
Capital Leases	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(67,502)	-	-
NET CHANGE IN FUND BALANCES	1,305	370	(19,477)	33,327	1,869	3,352
FUND BALANCES – October 1, 2004	-	2,584	41,704	97,014	5,150	8,531
FUND BALANCES – September 30, 2005	\$ 1,305	\$ 2,954	\$ 22,227	\$ 130,341	\$ 7,019	\$ 11,883

Sumter County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2005

(continued)

	Special Revenue Funds					
	Lake Panasoffkee Canal	Florida Organic Center	County Trans- portation Trust Fund	Second- ary Trust Fund	SHIP	Crime Preven- tion Fund
REVENUES						
Taxes	\$ -	\$ -	\$ 4,454,919	\$ -	\$ -	\$ -
Intergovernmental	28,869	427,116	1,848,111	2,786,387	496,763	-
Charges for Services	-	-	20,511	-	-	22,865
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	272	-	54,730	5,058	176,189	297
TOTAL REVENUES	29,141	427,116	6,378,271	2,791,445	672,952	23,162
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	2,474	427,116	-	-	-	-
Transportation	-	-	4,231,109	2,103,569	-	-
Economic Environment	-	-	-	-	297,842	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	2,474	427,116	4,231,109	2,103,569	297,842	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,667	-	2,147,162	687,876	375,110	23,162
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	(835,469)	-	-	-
Capital Leases	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(835,469)	-	-	-
NET CHANGE IN FUND BALANCES	26,667	-	1,311,693	687,876	375,110	23,162
FUND BALANCES – October 1, 2004	243	-	1,985,541	55,129	984,005	2,181
FUND BALANCES – September 30, 2005	\$ 26,910	\$ -	\$ 3,297,234	\$ 743,005	\$ 1,359,115	\$ 25,343

Sumter County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2005

(continued)

	Special Revenue Funds						
	Court Local Require- ments Fund	Court Tech- nology Fund	Tourist Development Fund	Home Tenant Based Rental Assistance Fund	Canteen Fund	Records Modern- ization	Clerk of Circuit Court
REVENUES							
Taxes	\$ -	\$ -	\$ 162,657	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	12,181	-	-	-
Charges for Services	68,183	260,846	-	-	91,302	84,952	-
Fines and Forfeitures	-	-	-	-	-	-	-
Miscellaneous	508	3,770	1,561	2	97,510	2,405	-
TOTAL REVENUES	68,691	264,616	164,218	12,183	188,812	87,357	-
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	4,594	1,358,333
Public Safety	-	-	-	-	206,996	-	-
Physical Environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic Environment	-	-	-	12,124	-	-	-
Human Services	17,173	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Court Costs	13,711	68,308	-	-	-	-	52,725
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
TOTAL EXPENDITURES	30,884	68,308	-	12,124	206,996	4,594	1,411,058
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	37,807	196,308	164,218	59	(18,184)	82,763	(1,411,058)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	1,420,052
Transfers Out	(17,150)	-	-	-	-	-	(8,994)
Capital Leases	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(17,150)	-	-	-	-	-	1,411,058
NET CHANGE IN FUND BALANCES	20,657	196,308	164,218	59	(18,184)	82,763	-
FUND BALANCES – October 1, 2004	5,218	54,574	-	-	32,254	213,133	-
FUND BALANCES – September 30, 2005	\$ 25,875	\$ 250,882	\$ 164,218	\$ 59	\$ 14,070	\$ 295,896	\$ -

Sumter County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2005

(continued)

	Special Revenue Funds					Debt Service Funds
	Clerk Fine and Forfeiture Fund	Clerk Court Technology Fund	Tax Collector	Property Appraiser	Supervisor of Elections	98 & 03 Center Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	113,608	-	-	-	11,136	5,397,541
Charges for Services	338,460	247,804	-	44,133	-	-
Fines and Forfeitures	1,041,168	-	-	-	-	-
Miscellaneous	327	1,741	-	41	-	10,704
TOTAL REVENUES	1,493,563	249,545	-	44,174	11,136	5,408,245
EXPENDITURES						
Current:						
General Government	-	-	1,310,345	1,092,821	921,613	1,293
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Costs	1,591,196	42,871	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	7,739	11,407	415,000
Interest and Fiscal Charges	-	-	-	176	1,687	525,178
TOTAL EXPENDITURES	1,591,196	42,871	1,310,345	1,100,736	934,707	941,471
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(97,633)	206,674	(1,310,345)	(1,056,562)	(923,571)	4,466,774
OTHER FINANCING SOURCES (USES)						
Transfers In	122,671	-	1,393,746	1,096,897	932,036	-
Transfers Out	(25,038)	-	(83,401)	(40,335)	(8,465)	(4,466,303)
Capital Leases	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	97,633	-	1,310,345	1,056,562	923,571	(4,466,303)
NET CHANGE IN FUND BALANCES	-	206,674	-	-	-	471
FUND BALANCES – October 1, 2004	-	54,670	-	-	-	313,392
FUND BALANCES – September 30, 2005	\$ -	\$ 261,344	\$ -	\$ -	\$ -	\$ 313,863

Sumter County, Florida
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2005

(concluded)

	<u>Capital Projects Funds</u>			
	<u>Agriculture Center Fund</u>	<u>Capital Projects Fund</u>	<u>Magnolia Manor Water</u>	<u>Totals</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,617,576
Intergovernmental	-	-	-	12,855,558
Charges for Services	-	-	-	4,606,738
Fines and Forfeitures	-	-	-	1,050,953
Miscellaneous	12,974	21,905	4,448	3,575,888
TOTAL REVENUES	<u>12,974</u>	<u>21,905</u>	<u>4,448</u>	<u>26,706,713</u>
EXPENDITURES				
Current:				
General Government	-	-	-	6,516,035
Public Safety	-	-	-	4,439,731
Physical Environment	-	-	-	3,763,888
Transportation	-	-	-	7,668,204
Economic Environment	-	-	-	855,915
Human Services	-	-	-	240,962
Culture and Recreation	-	-	-	51,050
Court Costs	-	-	-	1,898,225
Capital Outlay	1,558,288	43,165	212,079	1,813,532
Debt Service:				
Principal Retirement	-	-	-	526,814
Interest and Fiscal Charges	-	-	-	539,057
TOTAL EXPENDITURES	<u>1,558,288</u>	<u>43,165</u>	<u>212,079</u>	<u>28,313,413</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,545,314)</u>	<u>(21,260)</u>	<u>(207,631)</u>	<u>(1,606,700)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	519,537	231,077	58,000	10,258,669
Transfers Out	-	-	-	(5,761,606)
Capital Leases	-	-	-	69,251
TOTAL OTHER FINANCING SOURCES (USES)	<u>519,537</u>	<u>231,077</u>	<u>58,000</u>	<u>4,566,314</u>
NET CHANGE IN FUND BALANCES	<u>(1,025,777)</u>	<u>209,817</u>	<u>(149,631)</u>	<u>2,959,614</u>
FUND BALANCES – October 1, 2004	<u>1,244,900</u>	<u>802,326</u>	<u>163,768</u>	<u>7,560,098</u>
FUND BALANCES – September 30, 2005	<u>\$ 219,123</u>	<u>\$ 1,012,143</u>	<u>\$ 14,137</u>	<u>\$ 10,519,712</u>

Sumter County, Florida
Combining Statement of Fiduciary Net Assets
September 30, 2005

	<u>Agency Funds</u>			
	<u>Clerk of Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 725,090	\$ 94,252	\$ 849,959	\$ 1,669,301
Due From Other Governments	-	-	208	208
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	725,090	94,252	850,167	1,669,509
<u>LIABILITIES</u>				
Assets Held For Others	725,090	94,252	850,167	1,669,509
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sumter County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2005

FEDERAL AWARDS	FEDERAL CFDA NUMBER	CONTRACT NUMBER	EXPEND- ITURES	PROGRAM TOTAL
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Assistance to Firefighters Grant (2003 Funding)	97.044	EMW-2003-FG-14503	\$ 91,052	
Assistance to Firefighters Grant (2004 Funding)	97.044	EMW-2004-FG-121344	205,120	352,898
Assistance to Firefighters Grant (2004 Funding)	83.554	EMW-2004-FP-03049	56,726	
Passed Through Department of Community Affairs:				
Emergency Management Performance Grant	97.042	05-BG-04-05-70-01-233	11,803	
Public Assistance Grants - Hurricane Jeanne	97.036	FEMA 1561-DR-FL	632,081	
State Domestic Preparedness Equipment Support Program	97.004	05-DS-2N-05-70-01-342	20,293	
State Domestic Preparedness Equipment Support Program	97.004	05-DS-2N-05-70-01-345	10,616	
State Domestic Preparedness Equipment Support Program	97.004	05-DS-2N-05-70-01-078	73,584	
State Domestic Preparedness Equipment Support Program	97.004	05-DS-2N-05-70-23-362	36,400	
Passed Through Department of Law Enforcement:				
State Domestic Preparedness Equipment Support Program	97.004	05-CJ-L2-04-70-23-049	100,120	241,013
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Section 8 Housing Assistance	14.871	FL117	545,949	
Passed Through Florida Housing Finance Corporation:				
FHFC Disaster Relief Home Assistance Program	14.239	HA04-733	97,122	
HOME Investment Partnerships Program	14.239	2005-113-TBRA	12,124	109,246
<u>DEPARTMENT OF JUSTICE</u>				
Local Law Enforcement Block Grant	16.592	2003-LB-BX-1711	29,320	
Passed Through State Department of Law Enforcement:				
Byrne Formula Grant - Drug Task Force	16.579	05-CJ-K3-05-70-01-120	79,376	
<u>DEPARTMENT OF TRANSPORTATION</u>				
Passed Through State Department of Transportation:				
Operating Assistance Grant – Nonurbanized Area Formula Grant	20.509	AM727	109,358	
FHWA Emergency Relief Program – Hurricane Clean-up & Repair	20.205	418579-2-78-02	31,058	
Highway Planning and Construction	20.205	417463-1-38-01	6,026	37,084
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through Department of Revenue:				
Child Support Enforcement Title IV – D	93.563	CC360	113,609	
<u>DEPARTMENT OF COMMERCE</u>				
Costal Impact Assistance Program	11.419	NA170Z2139	11,953	
			<u>\$ 2,273,690</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS				

Sumter County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2005

STATE FINANCIAL ASSISTANCE	STATE CSFA NUMBER	CONTRACT/ GRANT NUMBER	EXPEND- ITURES	PROJECT TOTAL
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Florida Recreation Development Assistance Program	37.017	FS0297	38,849	
Small County Consolidated Grants	37.012	SC528	191,174	
Florida Organics Recycling Center of Excellence	37.018	SW204	427,116	
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Mosquito Control/Waste Tire Abatement	42.003	N/A	37,195	
<u>DEPARTMENT OF STATE, SECRETARY OF STATE</u>				
State Aid to Libraries	45.030	04-ST-69	130,313	
State Aid to Libraries	45.030	05-ST-76	124,049	254,362
Community Libraries in Caring	45.042	05-CLIC-08	2,660	
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
Emergency Management Programs	52.008	05-BG-04-05-70-01-233	100,395	
Disaster Assistance – Hurricane Jeanne	52.600308	DR-1561	27,910	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Partnership Program	52.901	N/A	297,841	
<u>DEPARTMENT OF TRANSPORTATION</u>				
Trip/Equipment Grant	55.001	248537-1-84-01	171,847	
Rural Capital Assistance Grant	55.001	410656-1-84-01	21,375	193,222
Joint Participation Agreement – Expansion of Service	55.012	418385-1-84-01	115,369	
Small County Outreach Program	55.009	410843-1-58-01	699,007	
Small County Outreach Program	55.009	410842-1-58-01	19,376	718,383
<u>DEPARTMENT OF HEALTH</u>				
Emergency Medical Services County Grant	64.005	C4060	27,790	
<u>DEPARTMENT OF MANAGEMENT SERVICES</u>				
Wireless 911 Emergency Telephone System	72.001	--	72,141	
<u>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</u>				
Florida Boating Improvement Program	77.006	FWC04134	49,500	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 2,553,907</u></u>	

Sumter County, Florida
Notes to Schedule of Expenditures of Federal Awards and
State Financial Assistance
For the Year Ended September 30, 2005

NOTE 1 – BASIS OF PRESENTATION

In the accompanying schedule, expenditures represent allowable costs determined in accordance with generally accepted accounting principles, or allowable billings.

NOTE 2 – SUBRECIPIENTS

The County did not provide federal or state awards to subrecipients.

**ADDITIONAL ELEMENTS REQUIRED
BY THE RULES OF THE
AUDITOR GENERAL**



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Management Letter

The Honorable County Commissioners
Sumter County, Florida

We have audited the financial statements of Sumter County, Florida (the "County") as of and for the fiscal year ended September 30, 2005, and have issued our report thereon dated February 7, 2006. We have also issued reports on internal control and on compliance and other matters which should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U. S. Office of Management and Budget Circular A-133. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding audit. In that regard, all prior audit findings were resolved in the current year.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

The following information is presented, for the County's convenience, to summarize financial position trends for certain funds.

Members:

CPAmerica International

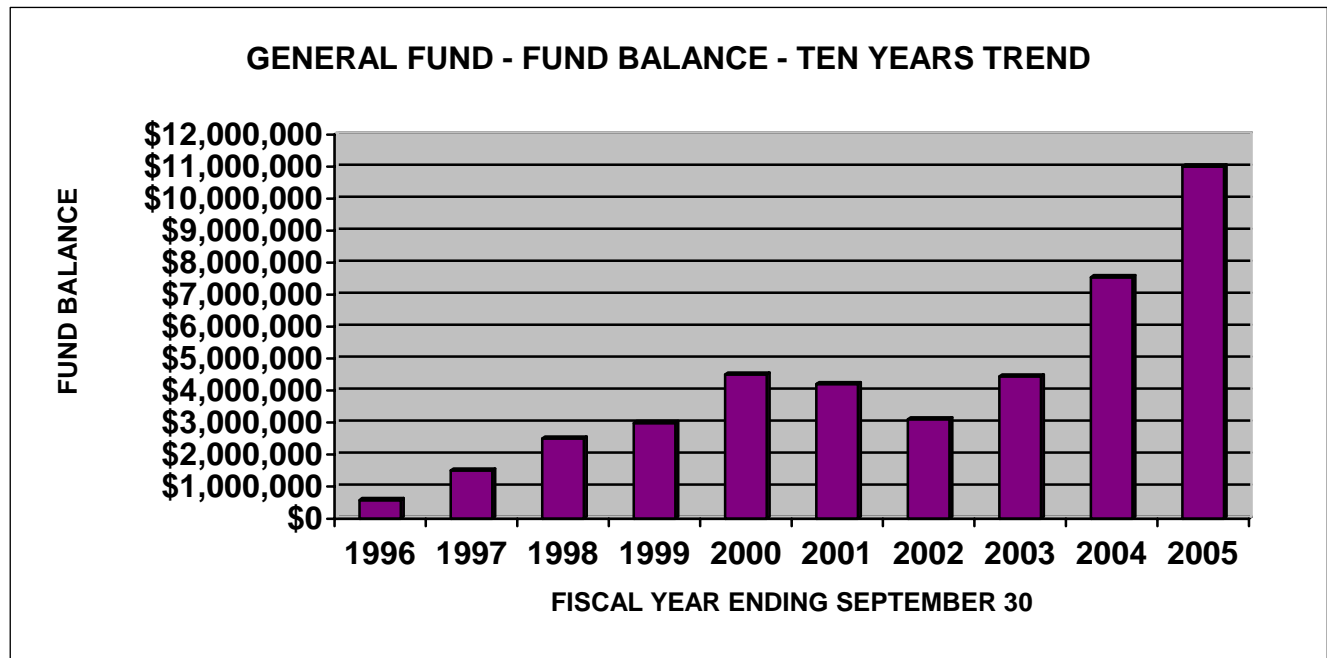
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	Fund Balance September 30, <u>2003</u>	Fund Balance September 30, <u>2004</u>	Fund Balance September 30, <u>2005</u>
General Fund	\$ 4,400,757	\$ 7,541,245	\$ 11,000,829
Special Revenue Funds:			
County Transportation Trust	2,153,676	1,985,541	3,297,234
Secondary Trust	2,220,322	55,129	743,005
Solid Waste	121,477	476,078	1,076,231
Fire Districts	130,526	(28,094)	115,501
911 Emergency Telephone System	206,156	186,121	214,557
County Transit	257,847	286,307	512,396
Government Office Building	674,797	101,088	8
Self-Insurance Fund	579,009	1,053,485	1,915,117

Additionally, trend information relative to the General Fund is hereafter graphically displayed.



Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the County for the fiscal year ended September 30, 2005, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2005.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

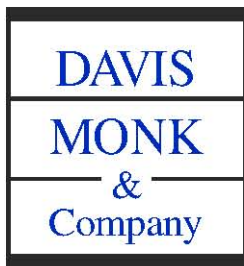
As required by the Rules of the Auditor General, we performed separate audits of each of the County's constitutional officers. The comments included in those separately-issued reports should be considered in conjunction with this management letter.

This management letter is intended solely for the information and use of the County and its management, and appropriate audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



February 7, 2006
Gainesville, Florida



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

The Honorable County Commissioners
Sumter County, Florida

We have audited the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Sumter County, Florida (the "County") as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 7, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as Item 05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters, which we have reported in separately-issued reports for the County's constitutional officers.

This report is intended solely for the information and use of the County and its management, and appropriate oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Hunk, & Company".

February 7, 2006
Gainesville, Florida



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**Report on Compliance and on Internal Control Over Compliance
Applicable to Each Major Federal Awards Program and State
Financial Assistance Project**

The Honorable County Commissioners
Sumter County, Florida

Compliance

We have audited the compliance of Sumter County, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the requirements described in the State Projects Compliance Supplement that are applicable to each of its major federal programs and state projects for the year ended September 30, 2005. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2005.

Members:

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American Institute of
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Horwath International

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered

the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County and its management, and appropriate oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Hunk & Company".

February 7, 2006
Gainesville, Florida

Sumter County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2005

PART I - SUMMARY OF AUDITOR'S RESULTS

- (i) The independent auditors' report on the financial statements expressed an unqualified opinion.
- (ii) The audit disclosed a reportable condition in internal control over financial reporting. The reportable condition was not considered to be a material weakness.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit disclosed no reportable conditions in internal control over the major federal award programs or state projects.
- (v) The report on compliance for the major federal programs and state projects was unqualified.
- (vi) The audit disclosed no findings relative to the major federal programs or state projects.
- (vii) The County's major programs/projects were:

<u>Federal Programs</u>	<u>CFDA Number</u>
HOME Investment Partnership Program	14.239
Section 8 Housing Assistance	14.871
Assistance to Firefighters Grant	97.044
 <u>State Projects</u>	 <u>CSFA Number</u>
Small County Consolidated Grants	37.012
Florida Organics Recycling Center of Excellence	37.018
Small County Outreach Program	55.009

- (viii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs for federal programs, and \$300,000 was used for state projects.
- (ix) The County qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II - FINANCIAL STATEMENT FINDINGS

Finding

- 05-1 **Condition** – The County has a purchasing card program utilizing the vendor approved by the State of Florida and adopted a “Purchasing Card Procedures” policy for its implementation. We noted several instances where these policies and procedures were not adhered to.

Sumter County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2005

PART II - FINANCIAL STATEMENT FINDINGS

Recommendation –Employees should be trained as to the use of the purchasing cards and improved monitoring procedures should be established to ensure compliance with the County’s system of internal controls.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

There were no findings relative to federal programs

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no findings relative to state projects.

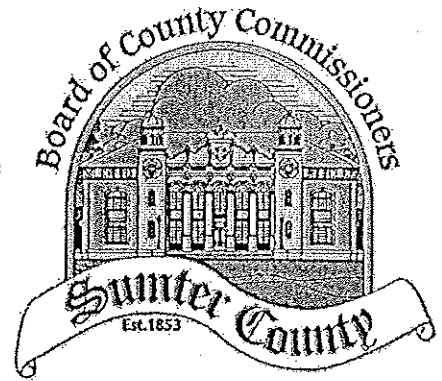
**Sumter County, Florida
Summary Schedule of Prior Audit Findings
Relative to Financial Assistance
For the Year Ended September 30, 2005**

There were no prior audit findings relative to financial assistance.

Board of County Commissioners

Sumter County, Florida

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March 29, 2006

Mr. William O. Monroe
Auditor General
Claude Pepper Building, Room 401
111 West Madison St.
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Sumter County is in receipt of the auditor's Schedule of Findings and Questioned Costs for the period ending September 30, 2005. The Board of County Commissioners and Clerk of the Circuit Court offer the following response:

Finding

05-1 Condition: The County has a purchasing card program utilizing the vendor approved by the State of Florida and adopted a "Purchasing Card Procedures" policy for its implementation. We noted several instances where these policies and procedures were not always adhered to.

Response: Cardholders will be instructed in the proper use of purchasing cards. The finance department will monitor use of the cards and report non-compliance of procedures to the County Administrator.

Very truly yours,

BOARD OF COUNTY COMMISSIONERS

CLERK AND AUDITOR TO THE BOARD

BY: Joey A. Chandler
Joey Chandler, Chairman

Gloria R. Hayward
Gloria R. Hayward, Clerk

cc: County Commissioners Minute File 3/29/2006

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